SHORT DURATION DISCUSSION

Working of UTI with Special Reference to Freeze on Sale and Repurchase of US-64 - *Contd.*

संसदीय कार्य मंत्री तथा सूचना प्रौद्योगिकी मंत्री (श्री प्रमोद महाजन): सभापति महोदय, आपकी अनुमति से मैं सदन से यह प्रार्थना करना चाहता हूं कि आज की जो संशोधित कार्य-सूची है, इसमें कुछ सरकारी कामकाज का उल्लेख है और बाद में यू टी आई के कार्यकरण पर चर्चा का उल्लेख है जिस पर जिस पर कल हम चर्चा कर रहे थे। मेरी सदन से प्रार्थना होगी और अगर सदन का अनुग्रह होगा तो जो कल हम अल्पकालीन चर्चा कर रहे थे और जिस को हम कल पूरा नहीं कर पाए,उस को अगर पहले ले लिया जाए और उस की समप्ति पर अगर हम बिल्स विचारार्थ ले ले तो कृपा होगी, महोदय, अगर सदन की अनुमति होगी और आप की अनुमति होगी तो इसे हम शुरु कर सकते हैं।

SHRI PRANAB MUKHERJEE (West Bengal) : Yes, Sir; we can accept that. The Short Duration Discussion can be taken up right now, and, after that, the Government Business can be taken up. We have no objection to that.

MR. CHAIRMAN: The Finance Minister. ...*(Interruptions)*...

SHRI NILOTPAL BASU (West Bengal): Sir, yesterday, the Leader of the Opposition was obstructed. Let him seek the clarifications now.

THE FINANCE MINISTER (SHRI YASHWANT SINHA): Sir. yesterday, the Leader of the Opposition wanted to say something. ...*(Interruptions)*... I am yielding. ...*(Interruptions)*...

SHRI PRAMOD MAHAJAN: He is yielding.

THE LEADER OF THE OPPOSITION (DR. MANMOHAN SINGH): Mr. Chairman, Sir, yesterday, while replying to the debate, the hon. Finance Minister referred to my name several times, and it is on that point that I am rising to seek some clarifications from him, and I have to make a few submissions. When I listened to him, and when the House listened to him, with rapt attention, he made the following basic points.

The first point was that the crisis in the UTI was due to the fluctuations in the stock market, and that even the private sector mutual funds had suffered in that process. Thereby, the Finance Minister was suggesting that the UTI was a victim of circumstances beyond its control. This was the first point he made.

The second point that he made was-and there, is the brought in my name-the problems that the UTI faces now are a result of some decisions made by the UTI when this Government was not in power.

The third point is, according to the newspaper report, last month, the Finance Minister himself had raised the possibility of misuse of insider information by some corporates which went in for redemption of the scheme in April-May. But, yesterday, in a complete reversal of his earlier position, he told us that the redemptions by the corporates in April-May were not an unusual phenomenon or unusually large. This is the substance of the case that he was trying to make. The question that I wanted to put to him yesterday, after listening to the statement very carefully, was the following question, which all the people of the country, all the people who are interested in the good name of India's financial system are asking today, which, I respectfully submit to him, he must answer. If all that the Finance Minister said yesterday in the House is correct, he should tell us: Why did he remove the Chairman of the UTI? ...*(Interruptions)*...

SHRI SANGH PRIYA GAUTAM (Uttaranchal) : Let the reply be over. ...*(Interruptions)*...

DR. MANMOHAN SINGH: Why did he remove the Chairman of the UTI, who was his own appointee? Secondly, why did he have him and two Executive Directors of the UTI arrested by the CBI? If they had done nothing wrong -during their tenure, why has the Government let loose the CBI on the UTI,- sending a signal all over the world that the flagship of India's financial system is being run by crooks? He must answer this question. This is the first question which I put to him, arising out of what he had stated yesterday.

I also request him to clarify if his attempt now to white-wash, as he tried to do yesterday, all that was happening in the UTI in the last three years due to the threats held out by the Counsel for Mr. Subramanyam that his client had enough material to highlight the role of higher-ups in this Government in this sordid affair? In other words, is he now attempting to cover the lapses in the UTI during his tenure as Finance Minister to buy peace with the former Chairman of the UTI so that he may not divulge the role of higher-ups in this Government in this sordid affair in which two crores of investors lost their money? This morning, a newspaper has, once again, reported that a particular individual was, on a number of occasions, on telephonic conversation with the then Chairman of the UTI. Press

reports have also quoted the Counsel for Mr. Subramanyam to say that a number of instructions were given by the Finance Minister and his office. It is the duty of the Finance Minister to answer and not to take shelter behind what happened in the UTI between 1991 and 1996. He must answer for all that has happened during the period when he has been the Finance Minister. If he found that the UTI was not well managed when he was not in office, I ask him: What did he do in the last three years to set things right particularly since this is not the first crisis in the UTI in the tenure of the present Finance Minister. More so, when he had a road map of reforms drawn up by the Deepak Parekh Committee, what did he do to implement that particular report? What did he do to keep a watch over the affairs of the Unit Trust of India, after he put into action a bail out operation of Rs.3,300 crores? These are the issues which the public is interested in knowing. What happened between 1991 and 1996, we can discuss that also. The Finance Minister has said that he had appointed a Committee. Let that Committee go into it. But what will that Committee do when charges are being levelled against the finance Minister's own office, against his own involvement? Can that Committee really investigate these charges? I want the Finance Minister to apply his mind to the question whether, in all fairness, a Committee of that sort can do justice to the charges which are being levelled about the role of the Finance Minister and the higher-ups.

Yesterday, the Finance Minister referred to a specific investment decision of the UTI in the shares of the Reliance in 1994. As far as I recall, this matter had figured in Parliament when I was the Finance Minister. I have been told that after our Government went out of office, the CBI, the Ministry of Finance and the SEBI once again looked into this transaction and they came to the conclusion that although the transaction was large, no rules or guidelines were violated. If the Finance Minister has any evidence to the contrary, he can order a fresh inquiry. I have no objection to it. But he is dutybound to tell the House why he did not share this information about the wrong doing with the House when he was replying to the debate on the UTI in December, 1998. Sir, it is entirely wrong for the Finance Minister to suggest that the present crisis of the UTI is because of a particular investment that was made in 1994. I would like him to state this before this House. If the UTI is making losses on those investments or whether, all those investments have yielded handsome dividends to the UTI. If it is later, then he certainly was trying to mislead the House by pointing to the 1994 scheme as if this is the cause of what has happened. I want him to answer that question. By quoting that particular instance, if he wants to

hold an inquiry, by all means he can hold an inquiry. I have no desire to shield anyone. I do not hold a brief for any corporate house. But don't try to mislead the House. Don't try to divert the attention of the House from your own misdeeds. What you have done is, I think willy-nilly you are presiding over the decline and fall of the Indian financial system. You have brought to disgrace the UTI. If today it is the IFC, tomorrow it will be the IDBI. The way you are managing the financial system, it is going to be a disaster for the country. It is for you to decide whether in this situation you should continue in this office.

SHRI YASHWANT SINHA : Mr. Chairman, Sir, I have here with me the verbatim report of what I was saying in this House at that point of time when my speech was interrupted and the House had to be adjourned. Sir, I was referring to a point which had been made by my colleague, Shri T.N. Chaturvedi with respect to the investment by the UTI in a particular company. What did I say? According to the verbatim report which is in my hand, I said, "These investments were made by the UTI in the year 1994 In a Mumbai-based company and the Leader of the Opposition was the Finance Minister at that time. I am absolutely certain that this investment decision was taken by the UTI Board and the Finance Ministry did not have anything to do with It. We have always followed that policy. The then Finance Minister had no prior knowledge of this investment." If the Leader of the Opposition wants to correct me, he can do so. Now, what was the allegation that I was referring to? I went on to say, "This Investment was not a small investment, not a Rs. 32 crore investment." This is the point which I had made at that point of time in my speech yesterday. Then I went on to say, "I would now like to come to the current situation." This was the point of time at which my speech was interrupted and I was not able to reply to all the questions which had been raised in the House earlier in the discussion on the UTI and which, I am grateful that the hon. Leader of the Opposition has put forth so forcefully before the House once again.

It will, certainly, be my endeavour, to reply to all those points. That is exactly the point that I was trying to make yesterday, and, If you permit, Sir, and if the House permits, I would like to resume my debate from where I left, so that I can reply to, and set at rest, all those concerns which the hon. Leader of the Opposition has raised in this House once again today and which the other hon. Members have raised during the six-hour discussion that we have had on this. When we speak in this House, — I suppose, it applies to all of us - we prepare a certain structure of the

speech that we want to make, and in that structure, we come to the points one by one. That is exactly what I was trying to do; I also had a structure of my speech.

Now, I would like to come to the current situation. It is true that the UTI faced a problem in 1998 and the UTI Board then appointed the Deepak Parikh Committee, which went into the affairs of the UTI and made certain recommendations to the UTI Board. Certain recommendations related to the Government because they involved action on the part of the Government. Sir, I explained to this House how certain PSU shares were purchased, for which also -- let me repeat, for which also - I have not put the blame on the then Government; I said that the UTI purchased over Rs.6,000 crores of public sector shares between 1991-95. The US-64 itself had a portfolio of Rs.4,700 crores of PSU shares, out of which they disposed some part of the shares in the market in 1998-99, that is, early 1999, when the Deepak Parikh Committee gave its report; the total shareholding of the PSU shares by the UTI was to the tune of Rs.3,300 crores. What was the recommendation of the Deepak Parikh Committee? The recommendation was that because the value had gone down, which brought down the value of US-64, the Government should help the UTI by taking these PSU shares back; in fact, not taking them back but leave them in a separate account, that is, the SUS, with the UTI which will be managed by the UTI, and they issued five-year bonds to the UTI to help the UTI. Now, the Deepak Parikh Committee made a total of 19 recommendations. And, according to the information which has been supplied to me by the UTI, ten of these recommendations have been fully implemented; I would like to repeat this point because there has been a popular perception in the light of this crisis that we were all sleeping and that not a single recommendation of the Deepak Parikh Committee has been implemented either by the UTI *or* by the Government. Therefore, I am hastening to add that out of the total of 19 recommendations, 10 have been fully implemented by the UTI; seven recommendations are under various stages of implementation, where the UTI has said that they have accepted, in principle, that they will implement them. For instance, they have accepted, in principle, the fact that the structure of the US-64, which is largely equity today and less of it in debt, will be altered in terms of the recommendation of the Committee, and the recommendation that 60 per cent of it should be debt and 40 per cent only should be equity will be implemented by the UTI. This has been accepted in principle. It is only a question of time. The Deepak Parikh Committee gave them three years. This period of three

years will expire in February, 2002. But the Deepak Parikh Committee also said clearly thay while this is done, care has to be taken to see to it that this off-loading of shares in the stock market does not create a situation in the stock market which will further depress the stock market. It has to be done carefully and this judgement, once again, has to *he* exercised by the UTI at the UTI Board. The Ministry is not going to tell the UTI when to disinvest, when to sell what shares in the market. That is their responsibility. And, I would like to clearly state that whenever they are able to do it, it must be done by the UTI Board. They must take that decision. So, what are the other two recommendations on which the UTI Board has not yet taken a decision? The first one is that the strength of the Board of UTI should be raised to 50. The second is that there should be an Asset Management Company that should be formed by the UTI and it should be responsible for all investment decisions of the UTI. This recommendation, Sir, of the Deepak Parikh Committee is not a new recommendation. This was a recommendation -- which the hon. Leader of the Opposition, I am quite sure, will recall - of the Bagul Committee which was appointed in 1993. This was the recommendation of the JPC that endorsed the Bagul Committee's recommendation -- which was submitted to the Parliament in 1993. In fact, in October, 1993, if I am not mistaken, the Ministry of Finance wrote to UTI asking it to set up an asset management company. Why hasn't this been done so far? These two recommendations have not been implemented so far for the very simple reason that this involves amendment of the UTI Act. Now what should be the comprehensive amendment of the UTI Act is something on which the Deepak Parikh Committee has not dwelt. And, therefore, Sir, last year we appointed a committee under a very well known financial expert, Mr. Malegam. The Malegam Committee is looking into the repositioning of UTI because we decided in the Ministry of Finance and we decided in the Government that we should look at the amendment of the UTI Act, the repositioning of the UTI in the changed situation in a holistic fashion and, therefore, we must have expert advice. We have set up this expert committee. I mentioned to the House the other day that we are expecting the report of this committee in the next few weeks and we will consider its report and we will consider its recommendations and I will come before this House and before the other House with my recommendations with regard to the amendment of the UTI Act.

Now, coming to the question which had been raised by the hon. Leader of the Opposition, once again, in the light of the points which I had been making, I would like to say very, very clearly that it was not the

performance of the UTI in a difficult situation that was the cause of the removal of the Chairman. That was not it and, therefore, I was well within my right to talk about the performance of the UTI even in this difficult situation *vis-a-vis* the others. Why are we discussing this matter in this House today? We are discussing this obviously because the UTI Board decided to have a freeze on the repurchases of US 64 unit. That was what had created this whole sense of panic among the investors that their money was now locked up for, at least, six months and they were not sure what was going to happen. And this was the situation that was neither in the interest of the investors nor was it popular with the investors. This is the situation which has put this pressure on the Government. Now, the point which I would like to make is this. I do not know whether Mr. Sanjay Nirupam is here; he was making this point. He asked me specifically whether the UTI Board was kept informed and whether the members of the UTI Board had the responsibility to keep me informed. Sir, if there was anyone who had to keep the Ministry of Finance informed, it was the responsibility of the Chairman, not the responsibility of the individual members. I mentioned to this House that not a single representative of the Ministry of Finance was on the Board of the UTI. It was decided in the month of May, 1997 that the representative of the Ministry of Finance on the UTI Board should be withdrawn. This was the decision of the then Government, taken with the approval of the then Finance Minister for reasons which might have been very justified at that point of time. But the fact remains that the representative of the Ministry of Finance, who was nominated on the Board as a representative of the IDBI, because the Ministry did not have under the UTI Act the right to nominate a representative on the UTI Board -- the IDBI, which has the right to nominate four directors, used to nominate one of the Ministry's Joint Secretaries as the representative on the Board -- was withdrawn in the month of May, 1997. I have put him back now in view of this situation; Now, the hon. Leader of the Opposition made a point, and the points he makes, Sir, naturally, are taken very seriously not only by me, not only by this House, but by the whole country. And if it has an international ramification, it has been taken seriously even by the international community. He is a person of international repute. And, therefore, when he makes the point that the Ministry of Finance was receiving a report every month from the UTI about the state of affairs, I would very humbly plead with him, through you, Sir, and say that there was no such system in the Ministry of Finance. Maybe, as long as the representative of the Ministry of Finance was on the Board,

there was a system of these monthly reports; I don't know. But, as long as I have been the Minister of Finance, we have not received, and there has been no tradition, there has been no practice of receiving monthly reports from the UTI.

Mr. Kuldip Nayyar is here; he was making a point. He wrote a piece; I read it in one of the columns that he writes, where he says that we receive, the Ministry of Finance receives, a daily report from the UTI. These are misperceptions. I would like to say that the Ministry of Finance does not, did not, receive reports from the UTI. So, what is the source of information that we have? The source of information is, the correspondence that we have with the UTI, and that correspondence specially started after the Deepak Parekh Committee Report, because we had an interest in following up the implementation of the Deepak Parekh Committee Report; and, separately, the information which the Chairman of the UTI will bring to the notice of the Ministry. Now, I have been much maligned, that I am an ignorant fool, that how can I plead, "I did not know?" Sir, I never said, "I did not know". Let me make my position very clear before this august House. What I said was that the Ministry of- Finance, and that I, were kept deliberately in the dark. We were kept deliberately in the dark, and I would like to repeat here that whenever a report which was unfavourable to the Unit Trust of India, which was unfavourable to the US-64, appeared in the media, or, came to my notice from any other source, I immediately requested the Finance Secretary, "Please get in touch with the UTI. Please find out what is happening." Throughout the months of April, May and June, we kept on doing this; and neither in the oral communication nor in the .written communication, Sir, did the UTI ever bring to our notice the serious state of affairs of US-64, the fact that there would be a situation where they would have to put a freeze on the redemptions of US-64. This was the point which I had made earlier; this is the point which I would like to reiterate before this House once again, Sir, with full sense of responsibility.

Now, therefore, short of my going to Mumbai and personally charging into the UTI office and saying, "Show me all your papers. Show me what is happening to US-64; I am not satisfied", I would most humbly plead before this House that whatever care I had to take, as Minister in charge, I took. I was repeatedly assured that everything was all right. Mr. Sanjay Nirupam, Sir, once again, was saying in this House that on 28th of May, there was a communication from the UTI. What did the UTI Chairman ask you? What is it that he asked and you did not give? This was the

question which he asked. If we look into our records, there was no letter on the 28th of May; there was a letter on the 18th of May. In that communication, there was no demand made on the Ministry of Finance. I would like to make a very simple point. Why should any Minister get into the kind of jam in which I find myself today? Could any one do it deliberately, knowingly; knowing that the Parliament Session was coming on the 22nd of July; will I go alongwith the decision which will cause discomfort to and panic among the investors of this country? No, Sir. Nobody, in his right senses, will ever do it. The point, therefore, is that neither in the letter of 18th May nor in any communication, and I make bold to say this, not only about the Ministry of Finance, but even about the Board of the UTI, there was any demand; even the Board of the UTI was kept in the dark until 30th of June, when this communication, the agenda papers of the Board, were circulated and that letter was written and delivered at the residence of the Finance Secretary.

Sir, what would one expect from the Chairman? One would expect from the Chairman that when he has a problem, he would come to me, he would come to the Ministry of Finance; we will discuss; we will find a solution. If a heavy redemption was taking place in the month of May, I expect the Chairman of the UTI to come to me, come to the Ministry of Finance, and tel! us that such redemptions were taking place. We would have done something about it. We would have prepared for the future.

Even in the month of June, when the redemptions were behind us, things had already happened. If we had been kept in the picture, if he had come to us, we would have told him as to what exactly had to be done. After all, If we can solve the problem after the 2nd of July, why could we not have solved the problem before the 2nd July? It was not because of any lack of desire or will on the part of the Ministry of Finance. It was entirely because, deliberately, we were kept in the dark. Therefore, Sir, I would like to say, on the 3rd of July, it was for this reason, it was for this failure, and it was for this weakness, that we decided that the Chairman of the UTI must put in his papers. He did put in his papers on the 3rd July.

Sir, now, I would like to say very humbly, before this House that after the incident had taken place, after the 2nd July—I know; Mr. Pranab Mukherjee has been asking the question as to why, if the letter was received on the 30* June, it was not taken into account--we did discuss it on Monday morning. Jointly, Sir, the Ministry of Finance came to a conclusion. Since the UTI Board had not taken a decision, how do we

anticipate the decision of the UTI Board? Maybe, the UTI Board may not accept the suggestion of the management.

Secondly, on what strength does the Ministry of Finance interfere at that stage and ask the UTI to do one and not do the other? We, therefore, decided-it may be an error of judgment, I don't know, but, at that point of time, that was the judgment that we made in the Ministry of Finance-to intervene only after the UTI Board had taken a decision; we intervened only after the UTI Board took the decision, in its wisdom. I am not going into the question. I have talked separately to some of the Members of the UTI Board. I understand from their conversation that even they were misled. So, Sir, that was the reason why the Chairman had to be removed.

We have moved in. We have taken action. If there is one thing for which, I think, I can claim some legitimate credit, it is the fact that we have moved quickly, we have moved swiftly, to contain the damage. We have taken a series of steps in order to ensure that the damage which was done as a result of the 2nd July decision of the UTI Board is contained and reduce it to the minimum.

Yesterday, on 1*[1] August, the redemption has started. I admit that it is done in a limited way now. The UTI is repurchasing 3000 units only. But yesterday's report is, less than 4000 people turned up in all the offices of the UTI to ask the UTI to repurchase their units. The total amount of money involved is a little over Fts.5 crores. The kind of flood which was expected is not there; I am saying this because, according to the information available with me, 98% of the certificates of the UTI are held in the lots of 3000 units and below.

I would like to say, Sir, that we have taken action; we will continue to take action even in future. We have decided to redeem 3000 units to begin with. If the situation improves, we will raise this figure. There are other ways in which we will try and ensure that the loss to unit holders is minimised. But the point which I would like to make is, there is a perception, right or wrong, that the UTI and its schemes are backed by the Government. This is the popular perception. Therefore, people invest their money. When they invest their money in the UTI schemes, they think, they are investing in the Government. Therefore, Sir, it becomes our responsibility, the Government's responsibility, to live up to this perception and make sure that no investor of UTI is put to any loss, and that will be the endeavour of the Government to do so.

Sir, the point which I would like to make is, many very eminent suggestions have been made, and I would like to refer, in particular, to the suggestion which was made by Shri Fali Nariman, an hon. Member of this House. He has raised a very important issue.

I think, as parliamentarians we all must cogitate, we all must consider what is the accountability of the Ministry. I have gone through the earlier debate; I have gone through the reply which the hon. Leader of the Opposition of this House gave in Lok Sabha in 1993 when the JPG report was being discussed. He was perhaps in a similar situation. He talked about ministerial accountability, he referred to the Fulton Commission Report and all that. The point that I am making is that in this modern world of economics where we are setting up one after the other independent, autonomous bodies, what is the role and responsibility of the Minister in charge? I am accountable to the Parliament. When I met the Press some weeks ago, the first sentence that I said was, "I know that the buck stops with me." I know that I have the constitutional responsibility for all that goes on not only in the UTI but the entire financial sector of this country. I said, "I am not shirking my responsibility." I said, I would like to repeat that before this House, "I am not shirking my responsibility." I am putting all the facts before this House. But the question of accountability of these institutions has to be discussed in greater detail. Yashwant Sinha might come and go. A number of Yashwant Sinhas, as Amar Singhji said, will come and go. But the point is will that solve the problems? Did it solve the problems in the decade of liberalisation of the Nineties? If one question which has arisen in a very, very significant way, it is the relationship that the Ministries of the Government of India must have or can have with these institutions which are considered to be autonomous? The Licence-Permit Quota Raj is over. If that is over, then the instruments 6f the licence-permit quota raj which were created, how do we deal with those instruments? We are setting up new regulatory bodies, autonomous regulatory bodies. What should be the accountability of these regulatory bodies before Parliament and how should the Minister be accountable? I think Fali Narimanji has raised a very important point and much will come out of this debate. Whether I continue as Finance Minister or do not continue as Finance Minister is, I think, of least consequence. I am grateful to the Members who in their political wisdom have demanded my resignation. Sir, I am grateful to those Members of this hon. House who have not gone that far. They have shown consideration. But the issue is not going to be resolved only by Yashwant Sinha resigning as Finance

Minister. It is a larger issue of accountability which this House must cogitate. I must thank the entire House for having given me this opportunity to complete my reply.

SHRI NILOTPAL BASU : Sir, at the outset, I cannot but express my absolute disappointment with the reply because. ...*(Interruptions)*... Yes; sorry, ...*(Interruptions)*... because I would be more than happy if I could be really happy with the reply. The basic question is of accountability. Now, it was apparent that between March 2000 and March 2001 the share index had gone down by 40 per cent and US-64 having around 75 per cent equity component, does it not require the UTl Chairman ...*(Interruptions)*...

SHRI SANGH PRIYA GAUTAM: Look at the Chair and not hither and thither. ...*(Interruptions)*...

SHRI RAVI SHANKAR PRASAD (Bihar) : Sir, is he putting questions or seeking a clarification? ...*(Interruptions)*...

MR. CHAIRMAN: He is seeking a clarification .. *(Interruptions)*...

SHRI NILOTPAL BASU: Sir, I am seeking only a clarification. ...*(Interruptions)*... Sir, 90 per cent of the speakers put this question that there is a Capital Market Division in the Ministry. So, if they could not conclude or infer this much that it was bound to have an impact on the US-64 and on its reserves, in terms of addressing the redemption requirements, what was the Government doing?

It is not a question whether physically, the Chairman of the UTl went and reported to the Finance Minister.

The second point is, there were precise reports in the press about corporate withdrawals, and he had also admitted it. This morning, when the hon. Leader of the Opposition asked whether he had not said it earlier, now he is reversing his position about the corporate withdrawals. It will not be unfair on our part to expect that the Finance Ministry should have anticipated that there will be further redemption pressure due to these withdrawals. He has not touched that point. I want to know as to who got the money, because they got the redemption price at Rs. 14. Most of the small investors -- 98 per cent - which he has admitted today, are in the lot of 3,000 units. So, they are small people. They will have to watt, and they will never get a redemption value of Rs. 14. But banks and corporates who are in the know of things, get the benefit. Now, when there is no regulator, who is going to forewarn the unit holders of US-64 and the UTl about the

impending disaster that the Scheme is going to face? Did the Finance Ministry ever come out in public with such a kind of thing before this crisis blew up? No*. I would also like this clarification from the hon. Minster. But I would again -- as Mr. Prem Chand Gupta has asked and so many others have asked -- like to know about the investments that have been made. I quoted figures that about 1,400 companies were there, out of which, around 400 companies were unlisted. There are press reports. Sir, Mr. Sanjay Nirupam had specifically asked about all these things, while participating in the debate on the share market scam, on 13* March, 2001, here, in this very House. The Rnance Ministry did not have any inclination as to what was going to happen. I think, it is not fair to the twenty-one Members who were thought of and generated one of the most excellent debates that I have ever participated and heard in my seven-year tenure in this Parliament. Thank you.

SHRI EDUARDO FALEIRO (Goa): Sir, there was, definitely, a gross failure on the part of the Finance Ministry, as far as the UTI was concerned. It is not a question that UTI must report to the Rnance Ministry and it is only then that the Finance Ministry will come to know. There is an entire division which is known as the Banking Division in the Rnance Ministry, with a Secretary-level officer at the top which is supposed to monitor on a daily basis, practically, all the public sector banks and financial institutions which are controlled by the Government. They have miserably failed in this. Sir, my concern is this. We are talking here about the US-64 Scheme. But there are other schemes of the UTI which are in a worse situation than US-64. I would like to mention, for instance, a scheme for charitable trusts. It is known as CRTS-81 Scheme. Now, the face value of a unit of CRTS-81 is Rs. 100. The purchase value in 1994-95 and 1995-96 was Rs. 120 or so. But, today, its value is Rs. 94. The hon. Minister has said that he appreciates that these were purchased precisely on the basis of the people's perception that the UTI was backed by the Government. I would, therefore, like to know from the hon. Minister as to what he intends to do as far as the CRTS-81 Scheme is concerned. The hospitals, schools, etc., run by those trusts are all closed down, they are all in doldrums. What are you going to do to see that their money is not eaten away by, as the hon. Leader of the Opposition has rightly pointed out, the crooks controlling our financial establishment? Thank you.

SHRI J. CHITHARANJAN (KeraJa) : The hon. Minister, while replying to the debate, has said that the Chairman of the UTI was arrested -- or he

was asked to step down and later on he was arrested -- just because of the fact that he had kept the Ministry in dark about the developments that have been taking place ...*(Interruptions)*... *No.* That is what you have said ...*(Intenvptions)*... You refer to the record.

SHRI SANGH PRIYA GAUTAM: He has not said that he was arrested.

SHRI J. CHITHARANJAN: Anyhow, if he has not said that he was not arrested, it is okay. But, actually, that also took place during these days. What was the crime committed by him, why should he be arrested? Then, there might be a certain other chance. He has not said about those things Why? That is the first question that I have to ask. Then, the second one is, he said that there was confusion as to how the Government should intervene in the case of those autonomous bodies. He also said that in the period of liberalisation, in several cases regulatory bodies had been formed to interfere in the matter. But in the case of UTI, there is no regulatory body. When there is no regulatory body to look into the activities of the UTI, the responsibility really rests with the Finance Ministry. He cannot shirk off from his responsibility. Then, there are so many allegations that have come out. Some facts have also come out. Some companies had got inside information and they had sold their units. They made immense profit. Then, there were reports that the companies which were not listed, bogus companies, had been given a very huge amount. Those charges are there. And several such facts have been raised here. They have not been answered. Then, there is another thing. It was stated from the Finance Ministry that, from the Finance Ministry, nobody had intervened. But, at the same time, there were allegations that from the PMO's office, there was intervention. Several small details are there. I am not going into them. But he is closing his eyes to them also. Finally, what I have to say is, what he is doing is, he is shirking off from his responsibility. It is not correct in a democratic set up.

SHRI S. PETER ALPHONSE (Tamil Nadu): Sir, as per the reply given by the hon. Finance Minister, the unit holders are going to be returned their money. The Deepak Parekh Committee's report says, the entire system should be based on the net asset value. Now, the system proposed by the present package speaks about administered prices. How can both these go together? Both the NAV approach and the administered prices approach. We need not be didactic because you don't know how the UTI is going to pay in 2003, whether according to the administered price

or according to the NAV approach. I hat is the one point on which I want clarification from the Minister. My second point is, I am told, the UTI has no balancesheet at all. Even a small grocery shop is expected to have a balancesheet. But the UTI never had a balancesheet. I would like to know whether it is true. Then, the other aspect of the debate is that the Minister says that he and the entire Finance Ministry were not aware of what has happened. But there were reports in the newspapers that the SEBI, in the last one year, had asked for explanation in ten private placement deals. The UTI had proposed to buy shares, in a private placement, in ten deals, and the SEBI had repeatedly pointed out that the private placement deal was questionable. I think, the SEBI comes under the Finance Ministry. Has that information been passed on to the Finance Minister so far? Even for that, is the Finance Minister going to ask for benefit of ignorance? I think, there are three accountabilities - first, the institutional accountability; second, the bureaucratic accountability; and third, the political accountability. So, I would like to know from the hon. Minister, what is the accountability of bureaucracy and what is the political accountability?

SHRI V.V. RAGHAVAN (Kerala): Mr. Chairman, Sir, none of the questions which I had put has been convincingly answered by the hon. Minister of Finance- therefore, I will not repeat all those things. Then, he has ordered an inquiry into all those questions. But, Sir, does not political morality demand that till the inquiry is over, he should vacate the post - we holds now.

MR. CHAIRMAN: No, no. This is not a clarification.

SHRI N.K. PREMACHANDRAN (Kerala): Mr. Chairman, Sir, the hon. Minister of Finance has turned the whole issue into a new issue and has diverted the whole issue of accountability of the UTI or of the Ministry of Finance. Sir, we have patiently heard the arguments made by the hon. Finance Minister, but the Counsel for the former UTI Chairman has specifically said that all decisions had been taken, in consultation with the Ministry of Finance. Therefore, the cloud of suspicion still remains. It has already been pointed out that out of 1426 private companies in which the UTI had invested, only 80 companies have shown appreciation. This is as per the report of the Kirit Somaiya Committee,' which had been submitted much earlier. I would like to know what action the Ministry of Finance took to rectify those defects. Still the cloud of suspicion is there because the former UTI Chairman cannot be called to this House. That is why,he is making out his case in the court, saying that everything was done, in consultation with the Ministry of Finance. And, the Ministry of Finance put the responsibility solely on the former Chairman of the UTI -- on the former UTI Chairman alone and not even on the Board Members of the UTI. So, the cloud of suspicion is still there. Who is responsible? This question still remains unanswered among the people of the country. This cloud of suspicion has to be removed. How can it be removed by the hon. Minister of Finance when the answer is totally disappointing, as far as this matter is concerned?

SHRI SHANKAR ROY CHOWDHURY (West Bengal): Mr. Chairman, Sir, the hon. Minister has raised a very important issue of the accountability of the Minister, under the changing economic and corporate scenario, consequent upon liberalisation. I would like to put him the following questions: India has been changing its economic course since around the 90's, or so. An atmosphere of economic uncertainty has been there since then because an established economic system is giving way or attempting to give way to a system which has not yet been fully tried out. I would like to know whether it is not the responsibility of the Government to maintain extra vigilance during the said period of uncertainty. The hon. Minister has put across his point of view in a very reasoned and well argued manner, but the fact of the matter is, in the ultimate analysis, whether it is in finance, foreign affairs, defence or any other matter, the Government cannot claim to be ignorant. The Government cannot claim to be ignorant. Now, here, we haye a situation where we are informed that one single individual, the

Chairman of the UTI, Mr. Subramanyam, who is now in custody, has succeeded in keeping in the dark, not only the members of the Board, which is supposed to run the UTI, but he has also kept in the dark the Minister himself and the Government of India, and has succeeded in manipulating vast sums of Government money to the detriment of the small investors. I take the Minister's point of view. But I would like to ask him to answer one question. Under all circumstances, the ultimate responsibility is that of the Government. Other Members have made the point. I too have made the point earlier that to maintain the state of awareness on all matters, in all spheres, the Government maintains its Departments adequately organised, adequately staffed with competent civil servants to ensure that such events do not occur. In this case, why has this happened? It has happened, especially when the Government knew or the Government should have known, the Government must have known, that in the transition period from one system to another, from one economic system to another, there would be a great deal of uncertainty;, and, under these circumstances, it was the duty of the Government, the Minister, the Ministr', to be extra vigilant on these issues. There is no dearth of evidence to suggest that there was no vigilance. There were newspaper articles there were public debates, there were discussions, there were a series)f debates right here in Parliament. Surely, these would have given the Government some warning that something was amiss. Did they keep any vigilance at all on these issues? This is the point to which I would like the Minister to kindly respond, as to why they did not remain vigilant enough. Thank you, Sir.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, in the course of his reply to the debate, the hon. Finance Minister has said that the Parekl. Committee has recommended converting the scheme more from equity to debt Sir, as a layman, instead of mutual fund, I can invest my money in certain public funds or in Government securities -- they will announce that a 9 per cent or 10 per cent rate of interest will be given. Without going to the mutual fund, I can straightway invest my money in them. So, why am I trying to invest my money in mutual funds? Sir, it is because we hope that the mutual fund, with all its experienced fund managers, can try to earn more and pay me more. So, if this recommendation of the Parekh Committee is being accepted to convert this high percentage of equity to debt, how are you going to satisfy the investors? And, with this economic sluggishness, negative industrial growth, and with all the premier financial institutions already in the debt market, like

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the IDBI, the ICICI and other institutions, is it possible to get good investment opportunities for this institution? I want to know this from the hon. Minister.

Sir, I happened to be one of the speakers in the debate and I feel that the lacuna in the implementation of the scheme is that the declaration of dividend is far in excess of the income that has been derived from this investment. So, I want to know whether the Minister still feels that this system has to be continued, or, whether he feels that there should be a prudential system of financial management. Sir, the third and the last aspect is, in the course of our speeches, we used to say that the entire economy is in a transformation stage: Earlier, it was a socialistic economy, then a mixed economy, and now we are throwing open the economy to the market forces.

So, the market forces are going to play their role. They are going to exploit the situation to their advantage. In this scenario, I would like to know whether the Government is thinking of having some in-built vigilance in the entire system. Your statement that you were not aware of it is not going to satisfy the people. Therefore, I would like to know whether the Government is contemplating to have an in-built monitoring system over the transformation that has ccme about.

MR. CHAIRMAN: Is it the sense of the House that we may sit beyond the lunch hour and listen to the reply of the hon. Minister to the clarifications?

SEVERAL HON. MEMBERS: Yes**.**

SHRI DIPANKAR MUKHERJEE (West Bengal) : Sir, the Finance Minister, right at the outset, had said that he would clarify all the queries that would be raised in the House. Sir, certain telephone numbers were mentioned in the House. That hon. Member had specifically raised the issue and had given certain telephone numbers, their connections between the PMO, and all that. I do not know whether you admit or not, that issue had raised a lot of furore in the House, but, in his reply, the hon. Finance Minister has not touched on that aspect.

श्री संघ प्रिय गौतमः संजय निरुपम पूछेंगे यह सवाल ...(**व्यवधान**)...

श्री नीलोत्पल बसु : आज भी आया है...(**व्यवधान**)...

SHRI DIPANKAR MUKHERJEE: Not necessarily. It is the property of the House. I am not going to score any political point, but my point is that this esteemed Member had raised a point. He had the courage to raise that issue right on the floor of this House. That has to be replied to in this House. That cannot remain unanswered. Otherwise, we will be doing injustice to this institution. This question must be replied to by the Finance Minister.

MR. CHAIRMAN: Sarla Maheshwari. I think you are also going to raise the same point.

SHRIMATI SARLA MAHESHWARI (West Bengal) : No, Sir.

श्री संघ प्रिय गौतम : सारी सी.पी.एम.पूछेंगी ।

श्री दीपांकर मुखर्जी : इसमें सी.पी.एम. क्या है? यह पब्लिक इंटरैस्ट की बात है, पब्लिक की बात सोचिए, यह सी.पी.एम.-बी .जे.पी. क्या है? Sir, this is not fair. What is this CPM, BJP? It is all in public interest. We did not talk of the Congress. They have raised the issue. Who had raised the Mundhra Deal issue. What is this Congress-BJP. Why, Sir? This is the history, Sir.

श्री सुरेश पचौरी : सभापति महोदय, बहुत रेलेवेंट प्वाइंट उठाया गया है, कि जिस टेलीफोन नंबर का उल्लेख किया गया था 9810180841 2यह नंबर किसका है, कृप्या प्रधानमंत्री जी यह बताएं ।

MR. CHAIRMAN: Shrimati Sarla Maheshwari. Please complete.

श्रीमती सरला माहेश्वरी : सभापति महोदय, मैं आपके माध्यम से वित्त मंत्री जी का ध्यान इस बात की ओर आकर्षित करना चाहूंगी कि आपके जवाब के दौरान यह कहा कि आप अपनी संवैधानिक जिम्मेदारी से मुकर नहीं सकते । आपने यह भी कहा कि आप सो नहीं रहे थे बल्कि एक जागरुक प्रहरी की तरह राष्ट्र की संपत्ति की रक्षा कर रहे थे । इसके बावजूद यह सब घटित हो गया? तो मेरा आपसे सीधा-सीधा सवाल यह है कि जिस संवैधानिक जिम्मेदारी को आपको निभाना है, क्या आप सिर्फ तकनीकी आधार पर उससे मुक्त हो सकते हैं कि यू. टी. आई . में यह दोष था, वह दोष था , उसके बोर्ड में यह दोष था, उसमें मैनेजमेंट में यह दोष था, उसके बोर्ड में हमारे आदमी नहीं थे जब कि लगातार इस बात की ओर ध्यान आकर्षित किया जाता रहा है कि यू.टी.आई. में कुछ न कुछ दाल में काला है फिर भी हमारे वित्त मंत्री पता नहीं किस तरह जाग रहे थे । क्या वे सोते-सोते जाग रहे थे या जागते-जागते सो रहे थे? आप कृपया मुझे यह बताएं कि अप्रैल और मई के महीने में बड़े-बड़े निवेशकों ने यू.टी.आई. से 3000-4000 करोड़ रुपऐ की यूनिटें तुडवा लीं । क्यों तुड़वा लीं ? जाहिर है कि उन्हें यू.टी.आई. की नैट एसेट वैल्यू के बारे में पहले से जानकारी थी ...(**व्यवधान**)...

श्री सभापति: यह क्लैरिफिकेशन नहीं है, यह पहले आ चुका है ।

श्रीमती सरला माहेश्वरी : सभापति महोदय, इतनी बड़ी सूचना के लीक होने के

बावजूद वित्त मंत्री जी का ध्यान उस और क्यों नहीं गया और छोटे निवेशक आप किसे कहेंगे और उनसे छोटे मानने का क्या क्राइटीरिया है? 3000 यूनिट रखने वाला क्या सिर्फ छोटा निवेशक होगा, यह मैं वित्त मंत्री जी से जानना चाहूंगी।

SHRI PRANAB MUKHERJEE : Mr. Chairman, Sir, I would just like to seek a few clarifications from the hon. Finance Minister. He had decided to get rid of the Chairman of the UTI when he found that the measures which the UTI were going to take would create a furore, a turmoil, in the financial system. He also said that they should have kept him informed, this Ministry should have been kept informed. That is why he had decided to get rid of the Chairman of the UTI and asked him to put in his papers. Mr. Finance Minister, at what point of time you came to know about his criminality? To ask somebody to resign, to quit, because of dereliction of duty is one thing; and to ask the CBI to investigate the case is another thing. Thereafter, in course of time, the CBI thought that he should be kept in custody for interrogation. That is CBI's matter. But to ask the CBI to look into the matter, definitely indicates that you came to know about certain criminal activities of the Chairman of the UTI. At what point of time did you involve the CBI? Why was he arrested? He was arrested because of the CBI investigation. The CBI considered it necessary to arrest him. But what prompted you to involve the CBI to look into the matter? Unless you are convinced that there was an element of criminality, you would not have involved the CBI. This is one aspect which I would like to know.

The second aspect arises from your statement which you made just now. You have very correctly pointed out that the House should debate, the country should debate about the accountability of the political executive vis-a-vis an autonomous organisation. No doubt, we will have to debate. We will have to respond. But, in between, you have to run the administration on a day-to-day basis. It is not merely a theoretical or an academic proposition for you. You have to run the financial institutions. You may like it or may not like it, but, we, the Members of Parliament, sitting here, will put to you as well as to the respective administrative Ministries questions. What type of interim arrangement you are contemplating? I expected that you will inform the House based on past experience. That is why I asked you on the first day, "What lessons did you draw from the first crisis of US-64 Scheme had in 1998, during your stewardship?" I will not go beyond that. You assured the House that you learnt some lessons, drew some conclusions. But, in the course of your reply, you did not refer to them.

I would most respectfully like to submit the third point to you, as a

representative of the Government, I have no hesitation in expressing our appreciation to the Prime Minister when we made a request, a demand, that he should come to the House and make a statement, yesterday afternoon, he came to this House and categorically denied that the Prime Minister's Office was involved in this UTI mess in any way. If you look at the record, he further said,"sate star ^ifo?, a probe is necessary." Similarly, certain Members brought certain issues which involved the Finance Minister and Ministry. As the Prime Minister himself had agreed that if there was a need, there could be a probe, why don't you have a Joint Parliamentary Committee to probe into this whole episode, especially, in regard to the involvement of the PMO, which has been categorically denied, and in regard to the involvement of the Finance Ministry, which Finance Minister himself has denied? In that context, may I know from the Finance Minister whether the Government is prepared to set up such a committee? Thank you, Sir.

DR. MANMOHAN SINGH: Mr. Chairman, Sir, I have one or two points of clarifications to seek from the hon. Finance Minister. While intervening in the debate, I had stated that there used to be a monthly report from the UTI to the Government of India. The Finance Minister has stated that this practice no longer exists. But, Sir, I also know that after the events of the 1992 scam, I had set up a high-power Committee on capital markets presided over by the Governor of the Reserve Bank of India, and also including the Finance Secretary, Chairman of SEBI and one or two other persons. I would like to know from the hon. Minister whether that Committee which used to review, on a regular basis, and monitors the functioning of the capital market, still exists or it has ceased to exist. If It still exists, did this Committee ever bring to the Government's attention the goings-on in the capital market and the role of the UTI? In particular, I would like to ask the hon. Finance Minister one thing. Newspapers have carried an extensive report about the role of the UTI in bailing out some Kolkata brokers during the stock market scam. It has also been reported, I hope wrongly, that this was done at the behest of the Finance Ministry. I would like the hon. Finance Minister to state unambiguously whether there is any truth in this or not.

I would further state, and I hope I am wrong, markets are saying that other than the 30th June letter, there is an earlier letter, maybe, I have got the date wrong, but between 17th June and afterwards.that the Unit Trust of India brought before the Government the difficulties it was facing, the problems it was facing. We would like to know whether that letter exists

or not, whether during this period, before 30 June, the then Chairman of the Unit Trust of India had discussions with the officials of the Ministry of Finance about the plight of the UTI or not. We would be grateful for categorical statements by the Finance Minister on these issues.

SHRI YASHWANT SINHA : Sir, a number of issues have been raised. Some of them have been raised, perhaps, because the hon. Member was not present in the House when I was replying over a period of three days. Many of the points raised have been covered in my reply and I would not like to take the time of the House repeating them. They are available in the record of this House. Sir, as far as the other issues are concerned, let me attempt to reply to them one by one.

The first point which I would like to make is that when I was talking about the Chairman of the UTI, his acts of omission and commission, I did not refer to the reason why he was arrested. I did not touch that point at all. That is a separate issue altogether. But if an impression has been created that he was arrested because he did not keep the Ministry of Finance informed, I would like to dispel that impression. He was not arrested because he was not keeping the Ministry of Finance informed. Maybe, it was an administrative failure. It was not a criminal offence. Therefore, let us not be in that doubt.

Sir, I made this point repeatedly and if this impression persists with the hon. Members of this House, I would like to clarify it once again, we were not sleeping in the Ministry of Finance; we vfere wide awake; we were repeatedly inquiring through written communication, through oral communication, what was the state of the UTI, what was happening to the US-64; and I would like to repeat once again that every time we were assured that everything was hunky-dory. ...*(Interruptions)*...

.. **श्रीमती सरला महेश्वरी :** जागने पर यह आलम है तो सोने पर क्या होगा? ...(**व्यवधान**)...

SHRI YASHWANT SINHA: I would like to say, Sir, responding to the query of the Leader of the Opposition, responding to the query of the other Members of this House, that at no point of time--l am saying it with a full sense of responsibility-at no point of time, did the former Chairman of the UTI come to the Ministry of Finance to discuss this issue and say, 'Things are wrong; or what I should do, what is your prescription, what is

your advice?" If he had come, we would have given such advice. So, the impression that has been created—that he approached us, and we denied him the assistance, we denied him the benefit of our advice--is not correct at all.

As far as the issue raised by Shri Pranab Mukherjee is concerned, I would like to say that the Central Bureau of Investigation has its own sources of information, and they proceed with a case on the basis of the information that they receive. It is also an autonomous organisation. You know what has happened to the CBI, the way it is supposed to function, specially, after the Supreme Court Judgment in the Hawala case. The CBI has its own sources of information. It proceeds on the basis of the information that it receives. So, I am making a distinction ...*(Interruptions)*...

SHRI NILOTPAL BASU: Sir, the CBI is independent ...*(Interruptions)*...

श्री संघ प्रिय गौतमः बोलने दीजिए । आपको क्या बीमारी है? इन्हें रोग है कि यह हर वक्त टोकते रहते हैं ...(**व्यवधान**)... बीमारी है तो अस्पताल जाइए । ...(**व्यवधान**)...

श्री रवि शंकर प्रसाद : कम से कम जवाब तो होने दीजीए । ...(**व्यवधान**)....

SHRI YASHWANT SINHA: Sir, I don't want to make a personal comment, but Mr. Nilotpal Basu is sitting in a certain posture in his seat, looking all the time at the people who are sitting upstairs! ...*(Interruptions)*... Are you making a point to this House or are you making a point to the media?

SHRI NILOTPAL BASU: Sir, this is very, very unfair. ...*(Interruptions)*... I am asking of you ...*(Interruptions)*... Sir, this is very unfair.

SHRI YASHWANT SINHA: Sir, the CBI ...*(Interruptions)*...

SHRI KAPIL SIBAL (Bihar): Mr. Finance Minister, you have the innate ability to look at the other side and yet address themlI

SHRI T.N. CHATURVEDI (Uttar Pradesh) : That is what you do.

SHRI YASHWANT SINHA: I heard, after my last remark which was addressed to Mr. Kapil Sibal. "Banter and the cut and thrust of parliamentary debate" was no more the style of this HouseI I am glad that it has come backl

Therefore, there is the question of administrative failure on the part of the former Chairman of the UTI, for which reason he was asked to put in his papers.

The second one is the issue of criminality. As far as the issue of criminality is concerned, the CBI has proceeded on the basis of the information which was in possession of the CBI, and the CBI is proceeding with that case; interrogation is going on.

Sir, as far as the issue of various telephone numbers are concerned, i am not a telephone operator; I don't run a telephone inquiry so that you get up in the House and ask me, "Whose number is this?", and I will say, "Sir, let me check up and I will give you the answer!" I am not a telephone operator... *(Interruptions)...*

श्री सुरेश पचौरी : सभापति महोदय, यह आश्वासन तो दिया जा सकता है कि टेलीफोन नम्बर का पता करेंगे । ...(**व्यवधान**)... यह आश्वासन तो दिया जा सकता है । ...(**व्यवधान**)...

SHRI YASHWANT SINHA: Sir, this matter is under investigation. *...(Interruptions)...* This matter is under investigation.

श्री सुरेश पचौरी : वह मोबाइल नम्बर प्राइम मिनिस्टर के ऑफिस ...(**व्यवधान**)... स्पष्ट रुप से बोला गया है ...(**व्यवधान**)... प्रधान मंत्री ऑफिस के यहां का मोबाइल नम्बर है । ...(**व्यवधान**)... किसका नम्बर है**?** ...(**व्यवधान**)... यह स्पष्ट रुप से बोला गया है कि यह प्रधान मंत्री कार्यालय का नम्बर है । ...(**व्यवधान**)...

SHRI DIPANKAR MUKHERJEE: You should not speak on this subject. *...(Interruptions)...*

SHRI YASHWANT SINHA: Sir, all those matters are under investigation *...(Interruptions)...*

SHRI DIPANKAR MUKHERJEE: You have the courage to look back, but not here.

SHRI YASHWANT SINHA: I have all the courage. *...(Interruptions)...*

श्री एस.एस. अहलुवालिया (झारखंड) सभापति महोदय, सदन में अखबार को शो करना अलाउड है क्या**?**

SHRI YASHWANT SINHA: Sir, the simple point which I am making is that the matter is under investigation; the CBI will investigate the matter; the CBI will decide what to do after the investigation. And, then, it is in the hands of the courts of law.

SHRI PRANAB MUKHERJEE: Who is the complainant? The Finance Minister is not the complainant..*(Interruptions)*... Who is the complainant to the CBI?

SHRI YASHWANT SINHA: I don't know. ...*(Interruptions)*... I don't know. ...*(Interruptions)*...

The Finance Ministry is not the complainant. ...*(Interruptions)*... The Finance Ministry is not the complainant. ...*(Interruptions)*... I am not the Minister in charge of the CBI. ...*(Interruptions)*... I am not the Minister in charge of the CBI. ...*(Interruptions)*... There is not a single directive. ...*(Interruptions)*... The CBI does not have to take my permission in order to begin a case. ...*(Interruptions)*... We know that the CBI does not need any directive. ...*(Interruptions)*... They don't have to come to me. ...*(Interruptions)*... The CBI does not have to come to the Administrative Ministry when they start an investigation. ...*(Interruptions)*... Therefore, the CBI is acting independently. ...*(Interruptions)*... Under the law of the land nobody can intervene in the investigation of the CBI. ...*(Interruptions)*... Absolutely, nobody can intervene in the investigation of the CBI. ...*(Interruptions)*.. .That is the law of the land at the moment. ...*(Interruptions)*... Therefore, whether the Opposition believes it or not, the Government does not have a desire to intervene in the investigation of the CBI. ...*(Interruptions)*... The CBI will carry on with its investigation, according to their own judgement and, as I said, produce the results of their investigation. ...*(Interruptions)*... We must have the patience to be able to wait till the CBI investigation is over. ...*(Interruptions)*... As far as this issue is concerned, this is what I have to say. ...*(Interruptions)*... After all, Sir, they agreed to a JPC inquiry. It is this Government which came before this House; it is this Government which went before the other House, and we had set up a Joint Parliamentary Committee to look into the market scam. ...*(Interruptions)*... The JPC is already working. ...*(Interruptions)*...

SHRI KAPIL SIBAL: Is this the action of the Government on the defensive? ...*(Interruptions)*...

SHRI YASHWANT SINHA: Sir, then we have set up a Three-Member Committee headed by Mr. Tarapore. ...*(Interruptions)*... It is going to look into all the investments made by the UTI. The CBI is separately investigating the case. ...*(Interruptions)*...*Therefore,* there is nothing that this Government wants to hide. This is not a Government which is on the defensive in the case. ...*(Interruptions)*... The CBI inquiry was not ordered by

the Opposition. ...*(Interruptions)*...The JPC inquiry was not ordered by the Opposition. ...*(Interruptions)*...*The* Three-Member Committee inquiry has not been ordered by the Opposition. ...*(Interruptions)*...All these inquiries have been ordered by this Government and this Government has, therefore, nothing to hide. ...*(Interruptions)*...They are not interested in the reply to their questions. ...*(Interruptions)*... They are not interested in the welfare of the small investors. ... *(Interruptions)*... They are interested only in making some cheap political points. ...*(Interruptions)*...

SHRI S. RAMACHANDRAN PILLAI (Kerala) : Sir, it is a very sad state of affairs. ...*(Interruptions)*...*The* Minister has not replied to any of the questions that we have raised. It is a very sad state of affairs. ...*(Interruptions)*...

SHRI S. R. BOMMAI (Karnataka): Sir. the Minister has not replied to the issues raised by us. ...*(Interruptions)*...

DR. MANMOHAN SINGH: Mr. Chairman, Sir

SHRI S. RAMACHANDRAN PILLAI: Sir, the Minister has not replied to any of the queries. ...*(Interruptions)*...

DR. MANMOHAN SINGH: Mr. Chairman, Sir, for the sake of the country's financial system. ...*(Interruptions)*...

SHRI S. RAMACHANDRAN PILLAI: Sir, he is not aware how the former Chairman of the UTI was arrested. ...*(Interruptions)*...

DR. MANMOHAN SINGH: Mr. Chairman, Sir, for the sake of the future well functioning of the country's financial system, I have one submission to make to the Finance Minister. ...*(Interruptions)*...

श्री सुरेश पचौरी : सभापति जी, आपने विपक्ष के नेता को बोलने के लिए अनुमति प्रदान की है, फिर इनको बीच में बोलने का कोई अधिकार नहीं है। ...(**व्यवधान**)...

श्री संघ प्रिय गौतम: आर्डर नहीं दिया जा सकता है। ...(**व्यवधान**)...

DR. MANMOHAN SINGH: Sir, I am not making any partisan point at this point of time. But I am deeply pained that one of the highest functionaries of the Indian financial system is hauled up and arrested, and nobody knows who ordered his arrest.... *(Interruptions)*.. .If this is .the state of affairs, no honest persons would like to become the Chairman of the UTI. ... *(Interruptions)*... This is what you want in this context? ...*(Interruptions)*...

SHRI YASHWANT SINHA: Nobody has ordered his arrest. The

CBI has arrested him on their own. They need not take orders from anyone to arrest a person. ...*(Interruptions)*...The CBI does not need anybody's permission or anybody's order to arrest a person. They arrest in their own right. That is what they have done in this case.

SHRI KAPIL SIBAL: Sir, the UTI Headquarters is in Mumbai. If the CBI wants to investigate in Mumbai, it has to take the permission of the State Government. How is it that the Central Government does not know about it? ...*(Interruptions)*...It is totally unsatisfactory on the part of the Finance Minister of the country to say that the Government of India does not know...*(Interruptions)*... He is misleading the House.

श्री सुरेश पचौरी: सभापति जी, हमारे प्रश्न का तो उत्तर ही नहीं आया है ...(**व्यवधान**)... हमने जो प्रश्न पूछा था उसका उत्तर नहीं आया है ...(**व्यवधान**)...

SHRI S. RAMACHANDRAN PILLAI: Sir, the Minister has not answered any of the questions which we had raised. ...*(Interruptions)*...

MR. CHAIRMAN: The House is adjourned for one hour.

The House then adjourned for lunch at twenty-six minutes past one of the clock.

The House reassembled after lunch at twenty-nine minutes past two of the clock, THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK) in the Chair.

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THE TRADE UNIONS (AMENDMENT) BILL, 2000

श्रम मंत्री (**डा.सत्यनारायण जटिया**) : माननीय उपसभाध्यक्ष महोदय, व्यवसाय संघ अधिनियम , 1926 में जो प्रावधान थे, उसके बारे में मैंने संशोधनक विधेयक प्रस्तुत किया था, उस वक्त मैंने अपनी बात कही थी । यह 1926 का विधेयक प्रस्तुत है और 75 वर्ष बाद इस में संशोधन करने के उपाय कर रहे हैं । संशोधन करने की दृष्टि से अनेक उपाय किये गये जिसमें रामानुजम की अध्यक्षता में एक कमेटी बैठी थी । उसने अपनी सलाह और राय दी थी । उसके बाद समय समय पर उसमें संशोधन करने के उपाय किये गये किन्तु वह पूरी तरह से कारगर नहीं हो पाए ।

उपसभाध्यक्ष (**श्री रमा शंकर कौशिक**) : आप तो यह सब पहले रख चुके हैं ।

डा. सत्यनारायण जटिया : इसलिए मैं यह सब समराइज कर रहा था । इस विधेयक को प्रस्तुत करते समय मैंने यह सब बातें सदन के समक्ष रखी थी । अब इस चर्चा को आगे बढ़ाया जाए और विधेयक को पारित करने के लिए आप अनुदेश करें ।